

UNITED STATES-CHILE FREE
TRADE AGREEMENT IMPLEMEN-
TATION ACT

SPEECH OF

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 2003

Mr. WAXMAN. Mr. Speaker, despite serious reservations, I will support the U.S. Free Trade Agreements (FTA) with Chile and Singapore. I support these agreements because I believe Chile and Singapore are valuable economic partners and strategic international allies. I have serious concerns, however, that the agreements also have a number of provisions that, while acceptable in the case of Chile and Singapore, set bad precedents for the future.

Chile and Singapore are important markets for U.S. products and investment. As anchors of trade in Southeast Asia and Latin America, they are advanced economies with political openness and a growing middle class. The FTAs before us today are valuable because they offer a reduction of barriers to trade in financial services with Singapore, which is the largest U.S. export sector in Asia, and strong market access for U.S. goods in Chile.

The agreements have strong intellectual property protections to fight the theft of copyrighted work and bold new measures to challenge digital and online piracy. These measures will help protect the driving force of creativity and innovation that has made entertainment and information technology the fastest growing sectors and the biggest exporting industries in the United States and in California.

At the same time, the agreements unfortunately include provisions that set the wrong tone for the future of U.S. trade policy.

I am concerned, for example, that because the U.S. Trade Representative's (USTR) model for automatic across the board tariff reductions in agriculture includes tobacco, the FTAs with Chile and Singapore could lead to an increase in cigarette consumption. Similarly, in the area of services, I am concerned that more exceptions should have been made for public utilities in order to safeguard government authority to protect consumers in the event of a crisis.

I am deeply disappointed that the Administration refused to include the U.S.-Jordan FTA standards that require the enforcement of environmental laws and the adoption of labor laws consistent with the five core International Labor Organization (ILO) standards. While laws in Chile and Singapore may already meet these standards, the omission sends a wrong message that the basic principles of international workers rights and environmental protection are slipping from the U.S. trade agenda.

I am also disappointed that the Administration did not use the Chile and Singapore FTAs as an opportunity to explicitly clarify that the investor-to-state provisions of the agreement do not give foreign companies greater rights than U.S. investors have under U.S. law. Even though the definition of expropriation in the Singapore and Chile FTAs is narrower than NAFTA, more changes are necessary to fix this distorted mechanism. Experience tells us that it is being abused to challenge U.S. regulatory and environmental law.

Moreover, I strenuously object to the FTAs' grant of extended monopoly periods to pharmaceutical companies, during which they will face no competition from generic drugs. Many people describe these protections as a simple extension of the Hatch-Waxman legislation that applies to the American market to our trading partners, but this is a serious distortion of the bill I co-authored. Hatch-Waxman was passed to overcome existing regulatory barriers in the U.S. market to the approval of low-cost generic drugs. In exchange for this new authority, the law provided specified periods of exclusive marketing and patent extensions to pharmaceutical companies, allowing them to recoup development costs. The length of any exclusive marketing period, during which no generic version could be marketed, was tied to the degree of innovation represented by the drug.

As a co-author of Hatch-Waxman, I cannot emphasize enough that this carefully balanced legislation represented a tailored solution to a specific regulatory problem in the United States. By adding these provisions to trade agreements, the USTR is heedlessly extending the exclusive marketing periods of Hatch-Waxman (and, in some cases, even more generous exclusive marketing periods) to other countries whose generic drug markets and health-care regulatory systems may look nothing like those in the United States. Although the impact of these protections may be limited in developed countries like Chile and Singapore it would be devastating in other countries that lack affordable and available life saving medicines and endure dangerous health epidemics.

In voting for this legislation, I want to make it clear that the Chile and Singapore agreements should not be adopted as "cookie-cutter" prototypes for other FTA's currently being negotiated. The economic, social, and political diversity of Central America, Morocco, Australia, and the other countries slated for inclusion in the Free Trade Agreement of the Americas and the Southern Africa Customs Union are simply too diverse to be forced in the Chile and Singapore mold.

International trade has the potential to raise the standard of living and quality of life for millions of people around the world. To achieve this, however, we must work for progressive, forward-looking agreements that not only expand markets, but protect worker and consumer rights and the environment. What is acceptable for Chile and Singapore will not be adequate in other countries. We must negotiate future FTAs to ensure that our citizens and our trading partners have the opportunity to experience the full benefits of free and fair trade.

RECOGNIZING THE NOSOTROS
ORGANIZATION**HON. HILDA L. SOLIS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 2003

Ms. SOLIS. Mr. Speaker, I rise today to pay tribute to the Nosotros Organization, the nation's oldest Latino performing arts organization, which has been serving the Latino community since 1970. Through the leadership of founder Ricardo Montalban and President

Jerry Velasco, the Nosotros Organization has worked to improve the image of Latinos through the entertainment industry by promoting Latino employment in front of and behind the camera and by providing educational opportunities for Hispanics in the performing arts.

Among its many functions, the Nosotros Organization offers theatre productions and theatre workshops to foster the creativity and talent of young Latinos and Latinas. Annually, the Nosotros Organization recognizes Hispanic leaders through the Golden Eagle Award, presented to those individuals who are committed to community service and work to fulfill the Nosotros mission. These awards are essential to raise funds to maintain the organization as a self-sustaining, financially independent arts organization. I had the pleasure of attending a recent Golden Eagle Award ceremony and was pleased to observe the tangible results of this organization's contribution to the Hispanic community and to the performing arts.

I am honored to acknowledge Nosotros and to commend the organization for its exemplary work and service in advancing diversity in the arts and promoting Hispanic leadership.

TRIBUTE TO FIESTA DAY IN LONG
ISLAND, NY**HON. JOSÉ E. SERRANO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 2003

Mr. SERRANO. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to the Third Annual Fiesta Day at the Hampton Classic Horse Show in Long Island, NY, which will take place on August 29, 2003. This important event is eagerly anticipated by the Latino community of Long Island each year. It is a wonderful celebration of the noteworthy contributions of the Latino community to the horse industry in the United States.

First held in 2001, Fiesta Day developed after a few thoughtful members of the Long Island thoroughbred industry made the effort to recognize the dedicated Latino grooms for the thousand-plus horses that compete at the classic. After further discussion, it was agreed that a broader format for Fiesta Day would be more appropriate for an area of Long Island that is showing tremendous growth in its Latino population.

Mr. Speaker, today Fiesta Day reaches out to the entire Latino population of Long Island and offers special educational programs, cultural activities including music and horse-related performances from several Latin American countries, and special food booths that reflect the diversity of Latino cuisine. The Day also includes an on-field ceremony to honor leading members of different segments of the Latino community—local, regional, and national—with special recognition given to one outstanding horseman of Latino descent for his or her contributions to the horse industry.

In addition to the celebratory events of the day, the management of the Hampton Classic encourages the event's 75 corporate sponsors to staff booths promoting diversity in the workplace and to outline employment opportunities for qualified members of the Latino workforce.

Mr. Speaker, without the thousands of Latinos who work with the thoroughbred industry, this multi-million dollar establishment